



Eggar Forrester

Founded 1820

Brokers and Appraisers to the Marshal of the Admiralty

15 April 2020

Bluestein Law Firm, P.A.
1040 eWall Street,
Mt. Pleasant, South Carolina 29464

Dear Sirs,

I write to submit CW Kellock & Co's proposal for conducting the sale by auction of mv 'Evolution' (IMO: 9122899 – 'the Vessel'), arrested at Charleston.

CW Kellock & Co are the longstanding brokers to the Admiralty Marshal of the Courts of Justice in England & Wales, an appointment dating back about 100 years. We are internationally recognised for the professional and transparent conduct of court sales, and we are regularly appointed to handle sales in other jurisdictions: we are currently, for example, appointed by the High Court of Justice in the Republic of Trinidad & Tobago to conduct the sale of mt 'Olesya' (IMO: 9510591). We have conducted court auctions in Jamaica, Northern Ireland, Nigeria and Australia, and we have supplied marketing and advisory services for auctions in Holland, Poland, Turkey, Malta, India and elsewhere. We conduct on average about 10 court sales each year.

I am personally the Sworn Valuer to the Courts of Justice in England and Wales (appointment letter attached), and have appeared in person as an expert witness on ship values before courts in the USA in the following cases:

CW Kellock & Co Ltd

London Wall Buildings, London Wall, London EC2M 5PP

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- November 2011 to December 2012. In the United States Bankruptcy Court for the Southern District of Texas, in re Chapter 11, Baytown Navigation Inc. et al.
- June 2012. In the United States District Court for the Southern District of Texas, Corpus Christi Division, Civil Action No, 2:12-CV-00163 Rowan Companies Inc et al. v mt FR8 Pride et al.

CW Kellock propose that we assist the Court to conduct an on-line live auction for the sale of mv 'Evolution', and undertake that we provide the services summarised as follows, which are elaborated on further herein:

- 1) drawing up a description of the vessel suitable for marketing and circulars
- 2) marketing the vessel worldwide
- 3) arranging trade newspaper advertisements if required
- 4) setting up auction arrangements
- 5) arranging buyers' preregistration
- 6) coordinating replies to prospective buyers' technical and other queries
- 7) helping and encouraging buyers to participate in the bidding process
- 8) advising during the auction itself
- 9) continuing to advise until purchase price has been paid and vessel delivered, and on any matters arising after delivery.

Our charges for these services will be 2% commission on the sale price achieved for the Vessel, plus the actual cost of a trade advertisement if required.

Expanding on the above services:-

1. Description of the vessel. We have recommended to the claimants that they arrange for the Vessel to be surveyed, and that a report on the Vessel's specification and condition be made available to prospective buyers.
2. Marketing. Our extensive contact network is comprehensive and will bring the Vessel to the attention of all potential buyers. We have a routine circulation list of about 1,500 shipowners and shipbrokers whom we will email several times. Of these we will more aggressively target about 100 in this market sector, and about 30 whom we expect to be potential bidders: these

we will approach individually by phone etc and we have already begun to analyse similar ships which are being offered for sale and have some potential buyers already in mind. We will also place the Vessel on our website www.cwkellock.com which has a following among owners willing to participate in auctions.

3. If it is a requirement of the Court that the sale be advertised publicly then we recommend a single quarter page insertion in the weekly shipping newspaper 'TradeWinds': estimated cost US\$ 2,000. However, we do not believe that supplemental advertising will affect the auction outcome, as we are confident of the effectiveness of our own marketing.
4. and 5. The auction would be conducted using e.g. Zoom or Microsoft Teams. We can assist the Court in drawing up the conditions governing the sale. Buyers wishing to bid at the auction will be required to submit preregistration documentation including at least a Power of Attorney from the company they are representing. Only buyers who have completed preregistration requirements will be given an access code to the auction. We recommend that buyers be given the option to submit a sealed bid to the court in advance of the auction. We advise against requiring buyers to put up a bid bond, because of the banking difficulties which that introduces. In our very long experience of court sales the incidence of default by successful bidders is very low: however, if the highest bidder does default then the vessel can automatically be offered to the second highest bidder without substantial delay.
6. and 7. We recommend that the marketing period be not less than 15 working days, to allow buyers time to perform their own due diligence on the Vessel. Protocols are under discussion which would require court sales to be advertised for at last 4 weeks in order to ensure international recognition, but we do not believe that they are yet mandatory. Replying to buyers' technical questions, explaining the auction process and encouraging them to bid will be our main focus during this period.
8. We will be on line to advise during the auction itself. The highest of the sealed bids, if any, submitted in advance of the auction will form the starting point above which further bids are invited. The pace of proceedings is important, and bidders should be given time to consider each increment and to consult internally.
9. Once the highest bidder has been identified we will continue to act as a point of liaison while the Bill of Sale is drawn up and the purchase price is paid to the court, and after delivery.

The ship sale and purchase market continues to operate as usual in spite of COVID-19, and there are no barriers to advertising the vessel's sale in the normal manner.

CW Kellock & Co have enormous experience of marketing vessels for sale by auction and are confident of setting up smooth and effective arrangements in this case. Our prime duty is towards the Court for whom we are acting. We know that the key to maximising value is to maximise participation, and we know how to encourage buyers to embrace what is often unfamiliar to them by explaining and helping them to comply with whatever terms are set out.

A reference may be taken from:

Paul Farren
Admiralty Marshal for England and Wales
7 Rolls Buildings, Fetter Lane
London EC4A 1NL

paul.farren@Justice.gov.uk
+44 20 7947 7111

I hope that we can be of service.

Yours faithfully

A handwritten signature in black ink, appearing to be 'PDT Willcox', written in a cursive style.

PDT Willcox
Director



Admiralty Marshal

Royal Courts of Justice Strand London WC2A 2LL

Telephone 01-9366111 DX: 44450 Strand

Telex: 296983 Comm & 296933 Gen

Your reference

Date

I, VINCENT EDWARD RICKS, the Admiralty Marshal of Her Majesty's High Court of Justice, HEREBY CERTIFY that I did on the 9th day of March, 1990, swear PAUL DAVID TALBOT WILLCOX of Messrs. C.W. Kellock & Co. Ltd., of Rodwell House, Middlesex Street, London, E1 7HJ, to appraise the true values of all vessels which may be referred to him by the Admiralty Marshal.

DATED this 14th day of MARCH, 1990.